

February 12, 2002

To: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: David E. Janssen  
Chief Administrative Officer

## **STATE LEGISLATIVE UPDATE**

### **Legislative Analyst's Office (LAO) Analysis of the Governor's Budget**

The LAO will release its annual Analysis of the Governor's Proposed Budget on Wednesday, February 20, 2002. According to the LAO's office, Elizabeth Hill will hold a press conference in the morning and the analysis will be available at 1 p.m.

### **Upcoming Legislative Hearings**

A Joint Informational Hearing of the Senate Health and Human Services and Business and Professions Committees, and the Select Committee on Developmental Disabilities and Mental Health will be held on Wednesday, February 13, 2001 from 1:30 p.m.-4:30 p.m. to discuss children's mental health care.

The Senate Local Government Committee will hold an informational hearing on local governments and the Governor's Budget on Wednesday, February 20, 2002 at 10 a.m.

On Thursday, February 28, 2002, Senate Budget Subcommittees # 4 (Chairman Richard Polanco), #2 (Chairman Byron Sher) and #3 (Chairman Wes Chesbro) will hold a joint hearing on counter-terrorism to address bioterrorism preparedness. The hearing is scheduled for 1:00 p.m. to 4:00 p.m. in Room 113 of the State Capitol. A representative of United States Health and Human Services Secretary Tommy Thompson is scheduled to participate. Our Sacramento advocates have been advised that an invitation to

participate in the hearing will be sent by the Senate subcommittee chairs to Sheriff Lee Baca and me. A copy of the draft agenda is attached.

### **Status of County Interest Legislation**

**County-sponsored SB 885 (Polanco)**, which would have appropriated up to \$3 million for allocation to the Los Angeles County College of Nursing and Allied Health for FY 2001-02, died on the Senate Education Committee's suspense file. In that Committee, our bill was competing with all other education interests for limited funding. Consistent with the State Legislative Agenda approved by the Board on January 8, 2002, our Sacramento advocates will now be seeking funding for the College through the State Budget. Our Sacramento advocate is also working with the Governor's staff to explore how the College may become eligible for funding through the Governor's recently proposed Nurse Work Force Initiative to expand the number of nurses in California and address the Statewide nursing shortage. We will continue to pursue this potential funding opportunity.

### **Pursuit of County Position on Legislation**

**AB 1808 (Richman)** would require special training and state certification by January 1, 2005, for every physician that provides treatment and evaluation on workers' compensation cases. The bill would also require re-certification every two years and require the State to develop physician utilization management, quality of care, and outcome measurement data related to the treatment of workers' compensation cases. The Department of Human Resources (DHR) indicates that implementation of these provisions would improve the quality of medical care and the accuracy and consistency of medical reports utilized in the administration of workers' compensation cases. While savings to the County are difficult to predict, DHR estimates they could approach \$500,000 per year. **Consistent with existing Board policy to support legislation that would include appropriate reforms to ensure an efficient, equitable and cost-effective workers' compensation system, the County will be supporting AB 1808**, which was introduced on January 16, 2002, and is currently in the Assembly Committee on Insurance.

**AB 1809 (Richman)** would require use of an Official Workers' Compensation Fee Schedule for all treatment provided on workers' compensation cases, regardless of when the expenses are determined to be eligible for compensation. In addition, a schedule of maximum fees for outpatient treatment and surgery would be added to the Official Fee Schedule by January 1, 2004. Current law does not contain a fee schedule for outpatient treatment and surgery and the existing fee schedule is not applicable to treatment provided prior to the determination that an injury is compensable. DHR indicates that the annual savings in the County's workers' compensation medical costs could be as much as three

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to four percent or \$3 million if AB 1809 is enacted because medical costs would be subject to specific fee schedules. **Consistent with existing Board policy to support legislation that would include appropriate reforms to ensure an efficient, equitable and cost-effective workers' compensation system, the County will be supporting AB 1809,** which was introduced on January 16, 2002, and is currently in the Assembly Committee on Insurance.

We will keep you advised.

DEJ:GK  
IGR:md

#### Attachment

c:     Executive Officer, Board of Supervisors  
        County Counsel  
        Local 660  
        All Department Heads  
        Legislative Strategist  
        Coalition of County Unions  
        California Contract Cities Association  
        Independent Cities Association  
        League of California Cities  
        City Managers Associations  
        Buddy Program Participants